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STATE EXPORT PROMOTION EFFORTS TO JAPAN

Summary

Increased tension at the national level about foreign direct investment and America's $100 billion-plus worldwide trade deficit have contributed to a surge of state interest in international trade and competitiveness issues as well as some confusion abroad stemming from different attitudes at the state and the national levels. Over the last decade states have included on their agendas more export promotion activities to complement existing investment attraction programs. With the shift in trade patterns toward Asia and away from traditional European markets, most states have opened offices in Asia, particularly in Japan. These foreign offices provide expertise and up-to-date information that enhance exporters' chances for success. In hopes of improving the odds, some states are moving beyond broad-based export promotion toward strategic planning.

Introduction

States historically have been interested in ensuring their own strength and prosperity. Since colonial days the states have engaged to varying degrees in international trade. In the increasingly global society of the 1980s states have been looking to expand their markets abroad and have shifted from earlier efforts to attract foreign investment to international export promotion policies, theorizes Peter Eisinger, author of Rise of the Entrepreneurial State.[1] Most states, however, continue to actively pursue some combination of the two policies.

[1]Peter Eisinger, The Rise of the Entrepreneurial State (Madison, Wisconsin: University of Wisconsin Press, 1989), p. 22.

State economic development offices promote their states through a number of programs. The most common activities fall into the following areas: export promotion for manufactured products, agricultural export promotion, export finance, investment attraction, tourism and local economic development. Depending on the size and strengths of a state's economy, some activities, such as promotion of agricultural products, may be handled by another appropriate state agency.

In recent years states' attempts to attract foreign direct investment, particularly from Japan, have gained a high profile. One reason for this exposure is the cost of the incentives. Some feel that states may give away too much from the taxpayers' coffers with little assurance of realizing economic benefits over a reasonable time period. The states often use a tax incentive program to entice a new plant. Although some jobs may be created, many citizens do not feel they should have to pay higher taxes so that a wealthy corporation, which will receive a tax break, will set up in their region.

Another aspect of foreign direct investment's high profile stems from the debate over job creation. While most analysts agree that foreign investment creates jobs, some economists contend that many of the 100,000-plus people now working at manufacturing or assembly plants built by Japanese corporate investors simply displace employees of American-owned factories, with little net increase in employment opportunities.

Juxtaposed against the economic arguments for foreign direct investment is the concern over the "buying of America." For many Americans the most visible signs of foreign direct investment have been real estate purchases or industrial investments, including takeovers, by Japanese firms. Such purchases, particularly those of the Japanese, are at the heart of numerous legislative efforts by Rep. John Bryant (D, Texas) to require stricter registration of foreign investments in the United States (see JEI Report No. 2B, January 13, 1989). His and others' actions on Capitol Hill at times seem in conflict with efforts by state officials to generate foreign direct investment. Former Minister of International Trade and Industry Hajime Tamura complained that while there is criticism at the federal level about Japanese investment "on the other hand governors come here [Tokyo] all the time asking for our business -- imports as well as investment."[2]

Against this ambivalence states are paying more attention to exports, a noncontentious issue, while continuing investment attraction to varying degrees. Thirty-nine states today have some type of office or representative in Japan, and many of the others are considering opening Japanese branch offices. The interest in Japan goes far beyond that in any other country, perhaps because of the degree of help companies may require to enter that market or perhaps because of Japan's ability and willingness to invest overseas. The concentration of overseas offices is focused on other Asian markets, too. Taiwan,

[2]Jonathan Kandell, "U.S. Governors Wooing Foreign Investors," Wall Street Journal, December 15, 1988, p. A14.

South Korea and Hong Kong, respectively, had 11, 11 and 10 state offices as of March 1989, according to data compiled by the National Association of State Development Agencies. Only West Germany, with 12, had more. The other two leading European locations for states are Belgium, which houses nine offices, and England, which has seven. More overseas offices are being opened almost monthly.

The preponderance of state trade offices in Asia is a reflection of shifting trade patterns toward the East and away from more traditional markets in Europe. Last year, for example, America's two-way transpacific trade totaled $271 billion, $85 billion more than transatlantic trade. A few states that have no Tokyo office -- Arizona, Idaho, Rhode Island and Wyoming -- run their operations out of another Asian office. Maine is the only state with an overseas office and no Asian operation. Only six states, principally those with small budgets, have no overseas offices. Several small states, such as South Dakota, are considering a time-sharing plan in which one office could serve the needs of a group of states. Not all of the states' overseas offices are government-run; some are contracted out to independent consulting firms. Some states group together to form trade councils, such as the Mid-South Trade Council, which serves the interests of Kentucky, Tennessee, Arkansas, Mississippi and Alabama.

Export Efforts to Japan

When companies decide to take the plunge to export to Japan, they have several basic options of how to go about it. Large firms with considerable research capabilities, other export experience and the financial backing to hire private consultants may decide to go it alone. Most small and medium-sized firms, however, seek help through federal and state agencies as well as from the quasi-governmental Japan External Trade Organization. The Department of Commerce's International Trade Administration has a nationwide network of 47 district offices and 21 branch offices. Commerce provides counseling for companies, especially for particular problems that a product or a firm may have in entering a foreign market. The federal government can go to bat for companies that may run into unusual or discriminatory roadblocks.

In addition to advice about specific problems, Commerce's ITA offices offer a number of programs to help exporters, including: international market research; market contact services, such as trade lists and the trade opportunities program (TOP); catalog shows; trade missions; and a wide variety of printed reference materials. JETRO also tries to help U.S. exporters by hosting Japanese trade delegations in the United States, coordinating trade missions and developing initial contacts in Japan. Some firms may turn to private consultants, who help develop tailor-made export strategies and may be more adept than the company at tapping sometimes complex American bureaucratic resources. Exporters also can get financial assistance from the U.S. Export-Import Bank and marketing advice from the Small Business Administration.

The states, primarily through their state economic development offices or new world trade centers, try to help firms that may have more fundamental problems. Advice can be as basic as how to get into exporting and which products would be appropriate for which market. Even firms that have some export experience with Canada or Europe may seek help to enter the Japanese market. The states offer a number of programs, including trade shows, trade missions, trade leads, matching of possible foreign partners and newsletters.

Phil Grebe, deputy director of business development in Indiana, says the most important factor for firms proposing to enter the Japanese market is "the commitment of top management." Success in Japan generally hinges on long-term commitment to the market and the building of personal relationships. Brian Davis from the Alabama International Trade Center feels that the largest problem facing exporters to Japan is a lack of long-term commitment coupled with difficulties in finding contacts in Japan. However, long-term commitment may not prove a feasible formula for small American exporters. Other export markets, such as Canada's, may provide a quicker, more profitable turnaround, which could prove vital for small exporters that may not have the capital to support long-term losses while waiting to gain market share. Thus, a state also may encourage some firms to enter a more appropriate market. In Alabama the trade promotion personnel try to "help weed out those companies which are not ready to enter the Japanese market or are not appropriate," says a trade official there. Similarly, Indiana trade officials suggest companies ask themselves whether the time and the money involved in export promotion to Japan are worth it.

The governor as head of his state can play a key role in promoting its image and its exports. Trade missions to foreign countries often are lead by governors, who have the clout needed to meet with key foreign dignitaries and command a high profile in the press. In recent years the National Governors Association has emphasized the issues of trade and competitiveness. Virginia Gov. Gerald Baliles (D) made international trade his key agenda item in 1988 as head of NGA. A report issued last spring by NGA's Task Force on Foreign Markets emphasized three goals: making trade a top state priority, increasing export activity and developing new markets. The importance of a governor, however, has a down side in that a change in administration or, what is perhaps more important, a new approach to international trade by a new governor can be as damaging as a lack of commitment by the top management of a firm.

Another approach used to promote exports is a sister-state relationship. For larger, well-known states this type of relationship may prove less helpful than for smaller states. The pairing can give states and their counterparts a chance to develop personal ties and the cultural understanding that may prove helpful in estab- lishing trade and investment links.

Problems Facing Exporters

The difficulties that exporters must come to grips with in dealing with Japan seem to be the same nationally. Some potential exporters are scared off before they even start, due to stories about how difficult the Japanese market is to crack. Problems range from coping with the sometimes daunting distribution system to cultural misunderstanding and from a lack of commitment by top management to inexperience at exporting.

Many foreign businessmen complain about the Japanese distribution system. Ralph Grainer, director of Wisconsin's Bureau of International Development, notes that exporters frequently refer to Japan's distribution system as a "closed loop." The federal government, too, is concerned about Japan's distribution system and has made it an issue in the U.S.-Japan structural impediment talks (see JEI Report No. 34B, September 1, 1989). There is some support within Japan, too, such as from Keidanren, to change the distribution system. Japan trade experts point out that the distribution network does not discriminate

against foreign companies but rather places all newcomers, even Japanese, at a disadvantage to established firms. But those who are committed to the market often are the ones to succeed, points out Dirk Vaubel, a Tokyo-based consultant who formerly spearheaded Wella Balsam's entry into Japan. With hints of changes to come in the distribution system, a number of firms have adopted a wait-and-see attitude before taking a shot at competing in Japan, says a New Jersey economic development officer.

Many states are working on training exporters because a lack of education is viewed by some as a major problem facing those seeking overseas markets. Since some companies may lack an appreciation of Japan's culture and its differences as compared with America's and since many firms lack export expertise, states and other agencies design trade seminars to help overcome these hurdles.

A more localized problem that seems to face many states in Japan is a lack of recognition. Potential customers in Japan may not be familiar with a particular state's location, major manufactures or possibly even the name. Wisconsin state officials believe that by opening an office in Tokyo in 1989 they increased the state's visibility as well as provided Wisconsin firms with better access to trade leads and better contacts than they could offer out of former operations in Hong Kong. Kentucky, too, said that it has had to work to develop its image as a state, although Japanese already were familiar with such popular items as Kentucky Fried Chicken and Kentucky bourbon.

A number of state development offices contacted by the Japan Economic Institute felt that there were no major problems in dealing with Japan. But gaining the necessary understanding of the culture was said to be difficult. American companies have to be willing to change their attitudes, says a South Dakota trade officer. Firms must be willing to modify products not just by converting electrical standards and using metric measurements but also by conforming to Japanese tastes. One South Dakota exporter was able to sell beef there successfully after he changed the way in which the meat was cut. A Virginia state export coordinator added that firms need a "different mind-set" to export overseas and to understand other markets.

A Question of Budgets

State budgets for international trade cover a wide range, from $7,000 for New Hampshire in 1988 to $10.5 million for California (see Appendix). States with large budgets usually can develop sophisticated strategies for developing overseas markets and attracting investments. But even states with small budgets can be active despite their limited resources. Some states with small trade coffers have taken bold, creative steps, while others are moving ahead more methodically, concentrating on making the best use of available funds.

Although Vermont has one of the smallest state budgets for export promotion, at just $18,000 in FY 1988, according to NASDA, the Green Mountain state has had modest success in exporting to Japan and even has Tokyo office space and personnel, paid for by a donation from Sumitomo Corp. Vermont's success has been built on personal relationships developed over the years. A Japanese corporate executive established a relationship with one of the private universities in the state. The ties that developed established a variety of trade

links, including advice and the trade office. Fostering the cultural bridge, Vermont companies have been able to export homespun products such as furniture, maple sugar and quilts. The state's relationship with Japan's fourth-largest trading company has had obvious benefits for trade.

South Dakota also has a small budget, just $51,100 in FY 1988, and maintains no overseas offices. Because of the limited funding, Paul Knecht of the state Economic Development and Tourism Office, told JEI that the state is looking for "the greatest return for its efforts." South Dakota currently sends half of its exports to Europe and only 10 percent to Japan. The state concentrates on export promotion to Japan and deals with investment requests as they come. Most of the exports are agricultural products, especially meat. The governor of South Dakota went in June on a trade mission to Japan, which was his second trip in three years. Still, export efforts are geared more toward Canada, which is seen as an easier market to enter.

Strategic Planning

As states seek to develop better ways to succeed in export markets, many have begun to examine the concept of strategic planning or targeting industries. According to author Peter Eisinger, at least 37 states have adopted strategic plans to target industries or sectors, especially high technology areas. The National Governors Association also promoted the concept in the previously mentioned report, "America in Transition: The International Frontier." Virginia's Gov. Baliles expounds, "The shotgun approach won't work. We must identify specific commodities and products that can be successfully marketed overseas."[3] More than half of the states also have venture capital programs that help finance new, small businesses, including potential exporters like high technology firms.

Unlike several other states, Kentucky has been disappointed with the results of its trade missions to Japan. Some state officials now say they prefer to target industries that may be successful in exporting to Japan. Among the key products they mention are: medical products, processed foods, hardwood and thoroughbred horses. Echoing the sentiments of many states, Kentucky trade officials believe that exporters need to be better educated and are offering five statewide export seminars that will focus on Japanese business practices. Kentucky earmarks a small portion -- approximately 10 percent of its $1.1 million international budget in 1988 -- for export promotion efforts. The bulk of Kentucky's energies are spent on investment attraction. Kentucky officials believe, as do many states, that while there is competition on the investment attraction side, states are generally compatible on the export promotion side.

Four States

States' experiences with export promotion vary greatly depending on such factors as the size of the state economy, its natural resources and the strength of the manufacturing base. Below is a closer look at the track record for exports of manufactured products by four states in different regions of the country.

[3]William Scouton, "States See Exports as a Tool for Local Business Expansion," Business America, February 27, 1989, p. 7.

California - The Golden State is in a league of its own because of its enormous size. The economy of California is larger than that of most countries. Former President Reagan used to say that if California were an independent country, its gross national product would rank seventh in the world. California, which shipped $17.2 billion worth of goods overseas in 1986, is the leading exporter of manufactured goods in the United States and topped the list of manufactured exports in nonelectric machinery, electric and electronic equipment and food products (see Appendix).

Its FY 1988 budget for export promotion was $10.5 million, half of which was for agricultural goods. This was nearly double the FY 1986 budget of $5.7 million. The state has two overseas offices -- in Tokyo and London -- and is opening a Mexico City office this year. The combined budget for the offices in Japan and England, which are state-owned facilities, is $1.5 million, split evenly between export promotion activities and investment attraction.

California also has established an office to provide help to exporters by providing them with loan guarantees. Twenty-two states offer such services and five others have passed legislation to allow state-supported financial backing. The Export Finance Office has reserves of approximately $4 million, which it uses to guarantee up to 85 percent of working capital within a $350,000 limit. The California agency has helped nearly 90 firms over the past year. Since 1985 it has aided more than 140 companies with guarantees totaling $25 million.

Sacramento's policies also have led to jobs for Californians. Some 290,000 jobs in the manufacturing field are linked directly to exports, which represents almost 15 percent of the positions in manufacturing. Approximately another 277,000 positions have been created indirectly through exports of manufactured products.

California, like the majority of states, has an office in Washington, which has been influential in promoting its trade views and trying to get California's position reflected in federal legislation. California's influence on trade policy can be seen in the 1988 Omnibus Trade and Competitiveness Act's inclusion of 16 out of 18 positions taken by California's World Trade Commission, which analyzes the impact of trade legislation for the state.

Indiana - The state's international promotion budget for FY 1987/88 was $1.1 million, up from two years previously when it allotted approximately $700,000. The money was split almost equally between export promotion and investment attraction. The $500,000 spent in 1988 for the Tokyo office, however, was used primarily (roughly 85 percent) to enhance investment in Indiana. The office in Japan is under contract.

In 1986 Indiana just missed being a top 10 exporter of manufactured products, finishing in eleventh place. The value of its manufactured exports was $4.8 billion. The state ranked third for three types of exports: electric and electronic equipment, primary metals and rubber and plastic products. Although the third biggest exporter of electric equipment, Indiana's shipments of $979 million were less than 25 percent of California's. Indiana employed 76,000 people in 1986 in the export-related manufacturing sector, which was roughly 13 percent of its manufacturing employment. Surprisingly, Indiana has an export finance program the same size as California's -- $4 million.

Virginia - Led by the international trade-oriented Mr. Baliles, the state's international budget for 1988 was $1.5 million, considerably more than the 1986 commitment of $600,000. The state placed 21st as an exporter of manufactured goods in 1986 with $2.7 billion. Virginia only cracked the top-five exporter category in tobacco manufactures, reaching second place with $552 million in foreign sales. In a caustic evaluation of Virginia's weak manufacturing base, the Wall Street Journal categorized the state's relationship with Japan -- an exchange of raw materials and relatively low wage rates in return for Japanese investment -- as one "somewhere between a developing nation and a newly industrialized country."[4] Virginia had only 38,000 jobs related to the export of manufactures in 1986, just 9 percent of its jobs in manufacturing that year.

Virginia spent 20 percent of its international funds on export promotion in 1988 and only 10 percent of its $300,000 Tokyo budget to develop exports. The majority of Virginia's money was spent on foreign investment attraction. The governor's active promotion of the state has resulted in more overseas trips for him than any other state head over the last three years. Virginia offers no export finance guarantee program.

Alabama - The state is geared toward export promotion with more than 60 percent of its budget aimed at helping Alabamans ship goods overseas. Its budget has soared over the past two years to $1.3 million in 1988 from $600,000 just two years earlier. The Tokyo office spends 40 percent of its $300,000 budget to develop exports. Alabama does not offer export finance assistance as it is constitutionally banned from doing so at this time, but constitutional changes are under discussion.

Alabama was the 29th largest state exporter of manufactured goods in 1986, with $1.7 billion, and it had 32,000 jobs in the export-related manufacturing sector. The state ranked fourth in the export of apparel and made-up textile products with a value of $82 million and fifth in the export of textile mill products, worth $70 million.

Alabama began its trade promotion efforts two-and-a-half years ago; its investment attraction activities started about six years ago. Trade officials believe that it will take time for the focus to shift as there is an established mind-set for economic development in the state. "Trade is the new kid on the block," an Alabama economic development official noted.

[4]Kandell, op. cit.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

APPENDIX

Table 1: Manufactured Exports and Export-Related Employment by State, 1986

(exports in millions of dollars and employment in thousands)

State	Rank as Exporter	Direct Exports	Export-Related Shipments as Percent of Total Shipments	Total Civilian Employment	Employment Related to Manufactured Exports	Percent of Civilian Employment	Manufacturing Employment Related to Manufactured Exports	Export-Related Employment as Percent of Manufacturing Employment
Total	--	$159,377	13.0%	111,874.3	4,576.6	4.1%	2,318.2	12.6%
California	1	17,216	14.0	12,526.0	566.3	4.5	289.6	14.7
Texas	2	10,982	14.3	7,779.9	287.2	3.7	122.6	13.5
Michigan	3	10,878	12.9	4,048.8	213.9	5.3	125.3	13.3
Ohio	4	10,653	13.9	4,931.7	264.2	5.4	151.4	13.9
Washington	5	9,863	28.2	2,093.0	113.9	5.4	59.6	21.4
New York	6	9,412	12.4	8,112.7	338.0	4.2	160.9	12.7
Illinois	7	7,209	12.2	5,377.9	238.6	4.4	123.9	12.5
Pennsylvania	8	6,027	12.6	5,371.6	232.0	4.3	132.0	12.7
Massachusetts	9	5,514	15.9	2,950.3	160.9	5.5	95.9	15.6
North Carolina	10	5,261	11.4	3,017.9	135.1	4.5	75.5	9.4
Indiana	11	4,787	13.7	2,583.1	133.0	5.2	76.0	13.2
Missouri	12	4,268	11.4	2,406.4	89.4	3.7	44.0	10.8
Connecticut	13	3,996	17.2	1,657.4	107.3	6.5	63.8	16.1
Minnesota	14	3,692	14.2	2,143.5	105.5	4.9	54.0	15.1
New Jersey	15	3,548	10.5	3,713.0	162.4	4.4	80.0	11.8
Florida	16	3,373	12.4	5,324.7	146.4	2.7	52.5	10.9
Wisconsin	17	3,314	10.5	2,266.1	105.6	4.7	56.5	11.6
Louisiana	18	3,020	13.6	1,856.5	51.7	2.8	16.7	10.5
Tennessee	19	2,910	10.9	2,150.4	82.6	3.8	42.2	9.0
Georgia	20	2,827	8.6	2,902.3	92.5	3.2	42.5	7.8
Virginia	21	2,704	10.7	2,779.5	81.0	2.9	38.4	9.4
South Carolina	22	2,398	13.7	1,470.5	67.7	4.6	39.1	11.1
Kentucky	23	1,940	11.1	1,570.9	52.8	3.4	24.4	10.3
Iowa	24	1,932	10.5	1,354.6	49.8	3.7	20.7	10.7
Oregon	25	1,863	14.5	1,279.2	59.0	4.6	27.9	15.0
Kansas	26	1,835	9.4	1,179.7	46.7	4.0	20.3	10.9
Arizona	27	1,756	20.4	1,529.1	58.5	3.8	31.3	19.0
Maryland	28	1,740	11.9	2,262.7	55.9	2.5	25.4	11.7
Alabama	29	1,685	12.1	1,719.9	62.6	3.6	31.7	9.6
Colorado	30	1,478	12.2	1,648.2	52.1	3.2	25.3	14.0
Mississippi	31	1,337	11.3	1,070.7	35.2	3.3	16.7	8.2
Oklahoma	32	1,085	9.9	1,518.2	46.0	3.0	19.3	12.1
Arkansas	33	1,065	10.6	1,012.6	35.9	3.5	17.8	9.2
West Virginia	34	983	19.6	697.9	25.0	3.6	12.4	14.4
New Hampshire	35	893	17.6	505.0	26.0	5.2	15.5	15.2
Maine	36	801	13.8	530.5	21.0	4.0	12.1	12.0
Nebraska	37	753	8.6	773.0	22.8	2.9	8.2	9.3
Alaska	38	713	39.4	252.0	6.9	2.7	3.6	40.0
Utah	39	668	13.2	725.5	23.4	3.2	11.9	13.0
Idaho	40	503	13.4	445.8	15.0	3.4	6.1	12.5

A

(continued)

State	Rank as Exporter	Direct Exports	Export-Related Shipments as Percent of Total Shipments	Total Civilian Employment	Employment Related to Manufactured Exports	Percent of Civilian Employment	Employment Related to Manufactured Exports	Employment as Percent of Manufacturing Employment
Rhode Island	41	482	12.7	475.0	21.5	4.5	12.9	11.9
Delaware	42	430	10.2	313.2	13.6	4.4	8.0	12.5
Vermont	43	384	20.1	277.1	14.2	5.1	8.4	19.5
North Dakota	44	215	14.8	322.1	8.9	2.7	2.0	14.2
Hawaii	45	214	10.3	478.8	5.3	1.1	0.7	3.1
South Dakota	46	213	8.5	333.5	7.7	2.3	2.1	7.9
New Mexico	47	178	11.9	651.9	9.5	1.5	2.4	7.1
Nevada	48	167	12.9	525.9	7.6	1.4	2.7	12.9
Montana	49	101	10.6	394.2	7.7	1.9	1.6	7.9
Wyoming	50	19	8.0	239.8	3.9	1.6	0.5	7.4

Source: Department of Commerce, Bureau of the Census, Exports from Manufacturing Establishments: 1985 and 1986.

Table 2: State Manufactured Direct Exports Rank by Industry, 1986

(in millions of dollars)

Industry	United States	First	Second	Third	Fourth	Fifth
Total	159,377	California 17,216	Texas 10,982	Michigan 10,878	Ohio 10,653	Washington 9,863
Transportation Equipment	36,007	Washington 6,829	Michigan 6,353	Ohio 5,079	Missouri 2,869	California 2,710
Nonelectric Machinery	32,456	California 4,874	Illinois 2,563	Minnesota 2,199	New York 2,068	Massachusetts 2,063
Chemicals and Related Products	20,968	Texas 4,106	Louisiana 1,557	New Jersey 1,215	New York 1,033	Florida 945
Electric and Electronic Equipment	18,136	California 4,259	New York 1,772	Indiana 979	Massachusetts 900	Illinois 796
Food Products	11,180	California 1,217	Texas 914	Illinois 727	Kansas 709	Iowa 542

B

(continued)

Industry	United States	First	Second	Third	Fourth	Fifth
Precision, Medical and Photographic Equipment	8,513	New York 1,738	California 1,161	Massachusetts 702	Pennsylvania 541	Connecticut 400
Fabricated Metal Products	5,184	Michigan 772	Ohio 642	Pennsylvania 383	Illinois 378	Texas 375
Paper and Paper Products	4,052	Washington 505	Georgia 314	Mississippi 284	South Carolina 259	North Carolina 242
Primary Metals	3,404	Pennsylvania 378	Ohio 352	Indiana 286	New York 249	California 194
Petroleum and Coal Products*	3,134	Texas 764	California 654	Louisiana 531	Pennsylvania 250	Hawaii 130**
Rubber and Plastic Products	2,956	Ohio 374	Massachusetts 255	Indiana 195	South Carolina 181	Michigan 174
Lumber and Wood Products	2,678	Washington 815	Oregon 520	Pennsylvania 158	California 149	North Carolina 97
Tobacco Products*	2,023	North Carolina 1,114	Virginia 552	Georgia 120**	Tennessee 108	Kentucky 47
Textile Mill Products	1,785	North Carolina 570	Georgia 318	South Carolina 266	Virginia 76	Alabama 70
Miscellaneous Manufactures	1,647	New York 301	Rhode Island 180	California 156	Massachusetts 146	Illinois 96
Nonmetallic Mineral Products	1,551	Ohio 253	Pennsylvania 132	Massachusetts 104	Tennessee 100	North Carolina 94
Apparel and Made-up Textile Products	1,391	Michigan 337	New York 168	Pennsylvania 85	Alabama 82	California 70
Printing and Publishing	1,256	New York 386	Pennsylvania 90	Dist. of Columbia 88	Illinois 79	California 75
Leather and Leather* Products	566	Maine 143	Wisconsin 64	Michigan 50**	Massachusetts 39	New York 35
Furniture and Fixtures	492	North Carolina 58	Michigan 58	California 42	Indiana 30	Tennessee 30

*Partly estimated.
**State export rankings by the Bureau of the Census; some states' data are not disclosed.

Source: Department of Commerce, Bureau of the Census, Exports from Manufacturing Establishments: 1985 and 1986.

2

Table 3: Manufacturers' Shipments Related to Manufactured Exports for Selected States by Top Five Sectors, 1986

(in millions of dollars)

	Direct Exports	Export-Related Shipments	Manufacturers' Shipments	Export-Related Shipments as Percent of Total Shipments
Total	$159,376.8	$294,339.5	$2,260,314.6	13.0%
California	17,216.4	31,437.6	224,517.0	14.0
Nonelectric Machinery	4,873.5	6,807.4	21,892.4	31.1
Electric and Electronic Equipment	4,258.6	8,976.6	32,935.1	27.3
Transportation Equipment	2,709.5	3,918.5	36,483.1	10.7
Food Products	1,217.1	1,590.2	32,516.0	4.9
Chemicals and Related Products	844.1	1,346.0	9,929.9	13.6
Indiana	4,787.4	10,348.9	75,670.4	13.7
Transportation Equipment	1,022.0	1,208.0	9,704.2	12.4
Electric and Electronic Equipment	979.4	1,612.0	9,194.0	17.5
Chemicals and Related Products	943.6	1,206.2	6,895.5	17.5
Nonelectric Machinery	676.7	1,055.9	6,554.4	16.1
Primary Metals	285.7	2,775.3	12,568.7	22.1
Virginia	2,704.0	5,083.4	47,346.0	10.7
Chemicals and Related Products	780.8	1,170.7	5,435.4	21.5
Tobacco Products	551.8	657.7	4,517.8	14.6
Nonelectric Machinery	261.5	377.8	2,056.1	18.4
Electric and Electronic Equipment	248.6	733.4	4,415.2	16.6
Food Products	232.1	312.8	6,748.9	4.6
Alabama	1,684.9	4,409.9	36,537.2	12.1
Transportation Equipment	273.3	329.0	2,478.5	13.3
Chemicals and Related Products	241.2	553.9	3,307.6	16.7
Food Products	222.6	287.7	3,836.0	7.5
Electric and Electronic Equipment	163.2	509.4	2,152.5	23.7
Paper and Paper Products	143.1	440.2	3,820.1	11.5

Source: Department of Commerce, Bureau of the Census, Exports from Manufacturing Establishments: 1985 and 1986.

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Table 4: International Budget Appropriations and Overseas Offices by State, 1988

State	International Budget	Percent for Export Promotion	Percent for Investment Attraction	Number of Overseas Offices*	Japan Office*	Other Asian Office
Alabama	$1,330,000	63%	37%	4	Yes	Yes
Alaska	1,500,000	n.a.	n.a.	4	Yes	Yes
Arizona	341,800	n.a.	n.a.	1	No	Yes
Arkansas	500,000	37.5	50	3	Yes	Yes
California	10,450,000	50	separate	3	Yes	No
Colorado	700,000	n.a.	n.a.	2	Yes	Yes
Connecticut	800,000	60	40	2	Yes	No
Delaware	240,914	50	50	2	Yes	No
Florida	2,300,000	60	40	4	Yes	Yes
Georgia	1,913,000	24	46	4	Yes	Yes
Hawaii	286,596	n.a.	n.a.	2	Yes	Yes
Idaho	160,000	50	0	1	No	Yes
Illinois	2,900,000	50	50	7	Yes (2)	Yes
Indiana	1,075,945	45	55	5	Yes	Yes
Iowa	1,400,000	50	19	3	Yes	Yes
Kansas	500,000	80	separate	2	Yes	No
Kentucky	1,100,000	10	90	2	Yes	No
Louisiana	471,000	n.a.	n.a.	2	Yes	Yes
Maine	150,000	100	0	1	No	No
Maryland	1,900,000	100	0	3	Yes	Yes
Massachusetts	835,500	n.a.	n.a.	3	Yes	Yes
Michigan	2,275,000	100	0	4	Yes	Yes
Minnesota	1,900,000	50	10	8	Yes (2)	Yes
Mississippi	500,000	40	40	3	Yes	Yes
Missouri	1,100,000	40	60	3	Yes	Yes
Montana	100,000	n.a.	n.a.	2	Yes	Yes
Nebraska	n.a.	n.a.	n.a.	none		
Nevada	297,000	10	90	1	Yes	No
New Hampshire	7,000	50	50	none		
New Jersey	4,718,000	60	40	1	Yes	No
New Mexico	94,000	40	30	none		
New York	3,300,000	50	50	5	Yes	No
North Carolina	1,600,000	50	50	4	Yes	Yes
North Dakota	n.a.	5	95	1	Yes	No
Ohio	2,800,000	80	20	3	Yes	No
Oklahoma	1,250,000	40	50	4	Yes	Yes
Oregon	2,260,000	70	30	3	Yes	Yes
Pennsylvania	820,000	28	70	3	Yes	No
Rhode Island	295,000	20	60	2	No	Yes
South Carolina	595,000	50	50	2	Yes	No
South Dakota	51,100	75	25	none		
Tennessee	304,000	100	0	none		
Texas	398,503	75	25	3	Yes	Yes
Utah	1,055,000	30	35	3	Yes	Yes
Vermont	18,000	100	separate	2	Yes	No
Virginia	1,500,000	20	80	3	Yes	Yes
Washington	1,940,000	n.a.	n.a.	1	Yes	No
West Virginia	n.a.	n.a.	n.a.	none		
Wisconsin	1,300,000	40	60	4	Yes	Yes
Wyoming	300,000	70	10	1	No	Yes

*As of September 1989

Source: Adapted from National Association of State Development Agencies, State Export Program Database, July 1988.

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